

**Testimony for Rep. Steven Palazzo (R-MS)**  
**Frozen Warmwater Shrimp ITC Case**  
**Inv. Nos. 731-TA-I063, 1064, and 1066-1068 (Second Review)**

Mr. Chairman and fellow ITC Commissioners, I am happy to be here today to express my support for the continued imposition of antidumping duty orders against unfairly traded frozen warmwater shrimp imported from Brazil, China, India, Thailand, and Vietnam.

I believe that the continuation of these orders is vital to the future stability of the domestic shrimp industry, including my constituents in the 4<sup>th</sup> Congressional District of Mississippi.

American workers in this important industry are relying on you for the chance to compete fairly and on a level playing field with imports from these countries.

Shrimping has a long and rich history in Mississippi. The seafood industry was established in our great state in the early 1860s and by the turn of the nineteenth century, Biloxi had become the “Seafood Capital of the World.”

Today, the seafood industry continues to be a cornerstone of the local economies in our Gulf communities, directly supporting 4,700 jobs and providing more than 79 million dollars in annual income in our state.

Overall, the Mississippi seafood industry has a value-added economic impact of over 102 million dollars.

Mississippi factories are world leaders in processing and packaging Gulf shrimp, and distributing it to Americans throughout the country.

Of course, the impact of the shrimp industry in my district and the entire state is so much more than economic.

Shrimping is a cultural institution in the Gulf states and has provided a way of life for generations of Mississippians, many of whom took a ride in a shrimp boat long before they took a ride on a bike.

Shrimping is a tradition for families in Mississippi who have passed down their boats to their children and grandchildren, and worked together to make a living harvesting the world's best tasting shrimp from our waters.

Work in this industry is demanding, and the men and women whose livelihoods depend on harvesting, unloading, peeling, freezing, packing, and distributing Gulf shrimp are tough and resilient.

As I'm sure you are aware, the shrimp industry in Mississippi, and in all of the Gulf States, has been faced with a series of setbacks in recent years.

From natural disasters like Hurricane Katrina, to man-made ones like the BP oil spill, workers in the shrimp industry have banded together and persevered through each challenge.

But today, shrimp processors and harvesters not only in Mississippi, but Gulf-wide and nation-wide, are being challenged by a different type of problem.

Americans are consuming more shrimp than ever, but also increasingly turning to dumped imports rather than domestic product.

In 2003, before these petitions were filed, dumped shrimp imported from Brazil, China, India, Thailand, and Vietnam flooded the U.S. market at prices below the cost of production at home, driving down domestic prices.

As the domestic shrimp industry received less for their catch, revenues and take-home pay declined and many small businesses were forced to close, some after generations in the industry.

Since the orders went into effect in 2005, however, conditions have improved.

The volume of imported shrimp in the market has remained below peak levels and domestic prices have stabilized.

Shrimpers are putting their boats back in the water, and landings at Mississippi ports have increased 67 percent since 2010.

Hard working entrepreneurs are also investing into their processing and harvesting businesses again, with expansions and updates to help them improve their efficiency and get even more Gulf shrimp onto the tables of American families.

Understandably, the industry is still fragile and these improvements could easily be reversed if the current orders, which shield our domestic industry from the most devastating impacts of unfair trade, are withdrawn.

Even with the disciplining effect of the orders, imported shrimp remain a significant presence in the U.S. market and accounted for over 93 percent of domestic consumption in 2016.

If the orders are withdrawn, imported shrimp will undoubtedly return to the market at volumes exceeding 2003 levels.

I am concerned that the domestic industry will not be able to endure another surge of low priced imports from these countries and the subsequent freefall in domestic prices.

I am grateful to the Commission for its work defending domestic industries like our Gulf shrimp sector.

I believe in free trade but it must also be fair trade, based on market economics.

Trade remedy laws that level the playing field by offsetting unfair foreign market distortions have been essential to the preservation of our middle class and the success of hardworking Americans across our nation.

And, if the antidumping orders can remain in place in this particular case, that will help ensure the continued survival of the Gulf shrimp industry in my home state.

I thank you for your careful consideration of this case and hope that you will stand with me in support of the vital Gulf shrimp industry, an important economic and cultural institution in Mississippi, as well as our neighboring states of Louisiana and Alabama.

I look forward to news of the continuation of the existing antidumping duty orders on imported frozen warmwater shrimp when you vote on May 2nd.

Thank you.